

CONFIDENTIAL

11 FEB 1963

MEMORANDUM FOR: Executive Director

THROUGH : Deputy Director (Support)

SUBJECT : Separation Compensation

REFERENCE : Memo for D/Pers fr Exec Dir dtd 25 Jan 63, subject:  
Involuntary Separation Allowance

1. Referenced memorandum requests information concerning our present provision for separation compensation and our plans for increasing the amount of such separation compensation or for extending eligibility for such separation compensation to personnel not now covered.

2. Present policy for granting separation compensation

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a. HR [ ] provides for the payment of separation compensation to individuals separated in accordance with the provisions of HR [ ] Separation of Surplus Personnel who, because of the nature and circumstances of their service with the Agency, are at a special disadvantage in making occupational transfers and who may therefore be unable to command responsible levels of earned income for an extended period of time following termination of their Agency employment. (A copy of HR [ ] is attached.)

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b. To describe the categories of personnel which are eligible for separation compensation under the terms of this policy, it is perhaps simplest to review those in which such payments have been authorized. These have included Engravers, Administrative Officers, Training Officers, and Clandestine Services Officers who were separated as surplus. Separation compensation was not authorized for Management Analysts or for Records Management Officers since there were no cases in which the individuals met the standards referred to above.

3. Our present provision for the payment of separation compensation was, as you know, coordinated with the Comptroller General, the Bureau of the Budget, the Civil Service Commission, and appropriate Congressional committees. In our presentation to these authorities, we made it clear that the Agency considered its proposal necessary to provide for unusual problems related to the nature of the Agency's mission. Conversely, it was made clear that the Agency did not intend to authorize this benefit for personnel whose circumstances upon separation would be no different from those of the employee reduced in force from another Government agency. It was our view at the time that we would not be able to obtain concurrence in providing such a benefit to Agency employees except when their employment circumstances could be distinguished from those of the regular civil service employee. We continue to hold this view. This is not to say that we would not endorse a comparable benefit for any Government employee separated in a reduction in force situation. However, neither the Administration nor the Congress has to date proposed to go beyond offering regular unemployment compensation to Government

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GROUP 1  
Excluded from automatic  
downgrading and  
declassification

SUBJECT: Separation Compensation

employees generally. Consequently, we have no plans, except in relation to our proposed retirement legislation, for changing the scope of our separation compensation benefit.

4. It is difficult for us to predict a continuing need for our present separation compensation allowance if we are successful in obtaining the retirement legislation now proposed. As drafted, it authorizes separation compensation to individuals who are separated before qualifying for retirement benefits. It would also authorize this benefit for all of the types of employees now covered under HR [ ] The basis for establishing the amount of separation compensation is the same in either case (i.e., one month's salary for each year of service but not to exceed 12 months' salary). However, under our proposed legislation the present salary limit of the maximum GS-14 rate would be removed, a schedule of payments is provided which may in some cases be advantageous to the individual tax-wise, and there is no offset against any part of the maximum payment authorized for earned income.

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5. In sum, we believe that our proposed legislation will provide a more liberal separation compensation benefit to those individuals for whom such a benefit can be defended externally. Accordingly, we propose to retain HR [ ] in its present form only until such legislation has been approved and sufficient time has elapsed to ensure that there are no meritorious situations outside the coverage of our proposed legislation which would require the application of HR [ ] If such situations should be identified, we believe it would then be appropriate to revise HR [ ] to provide a benefit similar to that of our proposed legislation and to obtain appropriate external concurrences in such changes. In view of this conclusion, we have not sought the advice of the General Counsel in developing additional legislative proposals. However, we are transmitting our reply through the General Counsel for such comment as he considers appropriate.

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/s/ Emmett D. Echols  
Emmett D. Echols  
Director of Personnel

Attachment

Concur:

See attached Memo for Executive Director

12 February 1963

General Counsel

LEB 15

3 "Subs"

Distribution:

0 & 1 - Addressee

0-DD\2

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1 - Gen. Counsel

2 - D/Pers (1 w/held)

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